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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

DOCKETED

OCT 6 2015

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

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AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

[Signature]

IN THE MATTER OF THE APPLICATION OF
SULPHUR SPRINGS VALLEY ELECTRIC
COOPERATIVE, INC. FOR A HEARING TO
DETERMINE THE FAIR VALUE OF ITS
PROPERTY FOR RATEMAKING PURPOSES, TO
FIX A JUST AND REASONABLE RETURN
THEREON, TO APPROVE RATES DESIGNED TO
DEVELOP SUCH RETURN AND FOR RELATED
APPROVALS.

DOCKET NO. E-01575A-15-0312

REVISED RATE CASE
PROCEDURAL ORDER

BY THE COMMISSION:

On August 31, 2015, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Company") filed an Application with the Arizona Corporation Commission ("Commission") for a rate increase.

On September 30, 2015, the Commission's Utilities Division ("Staff") notified SSVEC that its application met the sufficiency requirements of Arizona Administrative Code ("A.A.C.") R14-2-103, and classified the Company as a Class A utility.¹

On September 30, 2015, SSVEC docketed a Motion for Procedural Schedule. Commission Staff did not object to the proposed schedule.

Prior to receiving a copy of the Motion, the Administrative Law Judge issued a Rate Case Procedural Order on October 6, 2015. The Motion was received after the Rate Case Procedural Order had been docketed.

...

¹ On September 2, 2015, Staff filed a Motion to Consolidate this docket with Docket No. E-01575A-15-0127, SSVEC's Net Metering Tariff Application. The Company opposed Staff's Motion. A Recommended Opinion and Order docketed September 28, 2015, concluded it was in the public interest to dismiss Docket No. E-01575A-15-0127. Staff's Motion to Consolidate will be addressed after the Commission's disposition of the Recommended Opinion and Order in Docket No. E-01575A-15-0127.

The schedule proposed by the Company is reasonable and shall be adopted, except as noted.

IT IS THEREFORE ORDERED that the **dates stated in the prior Rate Case Procedural Order are hereby vacated.**

IT IS FURTHER ORDERED that the **hearing** in this matter shall begin on **May 17, 2016, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**

IT IS FURTHER ORDERED that a **Pre-hearing Conference** shall be held on **May 13, 2016, at 1:00 p.m.**, at the Commission's Tucson Offices, **Room 222, 400 West Congress, Tucson, Arizona, 85701**, for the purpose of scheduling witnesses and the conduct of the hearing. Parties may appear telephonically, but should contact the Hearing Division at (602) 542-4250 to indicate if they will be calling in.²

IT IS FURTHER ORDERED that any **direct testimony (except that related to rate design and cost of service)** and associated exhibits to be presented at hearing on behalf of **Staff or Intervenors** shall be reduced to writing and filed on or before **February 19, 2016.**

IT IS FURTHER ORDERED that any **direct testimony related to rate design and cost of service** and associated exhibits to be presented at hearing on behalf of **Staff and Intervenors** shall be reduced to writing and filed on or before **March 18, 2016.**

IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be presented at hearing by the **Company** shall be reduced to writing and filed on or before **April 15, 2016.**

IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be presented by the **Staff and/or intervenors** shall be reduced to writing and filed on or before **May 4, 2016.**

IT IS FURTHER ORDERED that any **rejoinder testimony** and associated exhibits to be presented at the hearing **by the Company** shall be reduced to writing and filed on or before **May 11, 2016.**

² The call-in number to participate telephonically is 1-888-450-5996, Access Code 457395#.

1 IT IS FURTHER ORDERED that any objections to any testimony or exhibits which have been
2 pre-filed before May 11, 2016, shall be made on or before the Pre-Hearing Conference.

3 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to pre-
4 filed testimony shall be reduced to writing and filed no later than five days before the witness is
5 scheduled to testify.

6 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-105,
7 except that all motions to intervene must be filed **on or before January 22, 2016**.

8 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and
9 regulations of the Commission, except that through **February 12, 2016**, any objection to discovery
10 requests shall be made within 7 days³ of receipt and responses to discovery requests shall be made
11 within 10 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and
12 responses shall be made in 7 days;¹ the response time may be extended by mutual agreement of the
13 parties involved if the request requires an extensive compilation effort.

14 IT IS FURTHER ORDERED that, in the alternative to filing a written motion to compel
15 discovery, any party seeking discovery may telephonically contact the Commission's Hearing Division
16 to request a date for a procedural hearing to resolve the discovery dispute; that upon such a request, a
17 procedural hearing will be convened as soon as practicable; and that the party making such a request
18 shall forthwith contact all other parties to advise them of the hearing date and shall at the hearing
19 provide a statement confirming that the other parties were contacted.⁴

20 IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of
21 the filing date of the motion.

22 IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date
23 of the response.

24 IT IS FURTHER ORDERED that any motions filed in this matter that are not ruled upon by
25 the Commission within 20 days of the filing date of the motion shall be deemed denied.

26 ...

27 ³ "Days" means calendar days.

28 ⁴ The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

1 IT IS FURTHER ORDERED that the Company shall provide public notice of the hearing in
 2 this matter, in the following type size, form and style with the heading in no less than 16 point bold
 3 type and the body in no less than 10-point regular type:

4 **PUBLIC NOTICE OF HEARING ON THE**
 5 **RATE APPLICATION OF**
 6 **SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.**
 7 **Docket No. E-01575A-15-0312**

8 **Summary**

9 On August 31, 2015, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or
 10 "Company") filed an application with the Arizona Corporation Commission
 11 ("Commission") for an increase in total revenues of \$3,101,498, or 3.17 percent. Among
 12 other things, SSVEC is proposing to: increase the monthly service availability charge from
 13 \$10.25 to \$25.00 in four phases over four years; implement a new Residential Service with
 14 Distributed Generation-Existing Rate for existing net metered customers who connected
 15 on or before April 15, 2015; implement a new Residential Service with Distributed
 16 Generation Rate for net metered customers who connect after April 15, 2015; increase the
 17 General Service Rate and Time of Use Rate; discontinue the General Service RV Rate and
 18 Seasonal Power Service Rate; and change certain miscellaneous service charges. Under the
 19 rates as proposed by the Company, an average residential customer using 682 kWh would
 20 see a monthly increase of \$3.22, from \$91.93 to \$95.15, or 3.5 percent. A customer's bill
 21 depends on monthly energy consumption. A customer using less or more than the average
 22 would experience a smaller or larger increase.

23 If you have any questions concerning how the Company's rate proposal will affect your
 24 bill or have other substantive questions about this application, you may contact the
 25 Company at: [COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE
 26 NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS
 27 CONCERNING THE APPLICATION].

28 The Commission's Utilities Division Staff is in the process of reviewing and analyzing the
 application and have not yet made recommendations regarding SSVEC's request. The
 Commission will determine the appropriate rate relief to be granted based on the evidence
 of record in this proceeding. **THE COMMISSION IS NOT BOUND BY THE**
PROPOSALS MADE BY SSVEC, STAFF, OR ANY INTERVENORS AND,
THEREFORE, THE FINAL RATES APPROVED IN THIS DOCKET MAY BE
LOWER OR HIGHER THAN THE RATES DESCRIBED ABOVE.

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed tariffs are available at SSVEC's offices [INSERT
 ADDRESS], and at the Commission's Docket Control Center at 1200 West Washington,
 Phoenix, Arizona, and at 400 West Congress, Suite 218, Tucson, Arizona, and on the
 internet via the Commission website (www.azcc.gov/) using the e-Docket function.

Public Hearing Information

The Commission will hold a **hearing** on this matter beginning **May 17, 2016, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona, 85701.

Public comments will be taken at the beginning of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. **E-01575A-15-0312** to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to <http://www.azcc.gov/divisions/utilities/forms/PublicCommentForm.pdf>. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment on the application or from filing written comments in the record of the case.

To request intervention, you must file an **original and 13 hard copies** of a written request to intervene with Docket Control, 1200 West Washington, Phoenix, AZ 85007, **no later than January 22, 2016**. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission. Information about intervention and sample intervention requests are available on the Commission's website (www.azcc.gov) using the "Intervention in Utility Cases" link.

Your request to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not yourself;
2. A reference to **Docket No. E-01575A-15-0312**;
3. A short statement explaining:
 - a. Your interest in the proceeding (e.g., a customer of the utility, a shareholder of the utility, etc.),
 - b. How you will be directly and substantially affected by the outcome of the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have served a copy of the request to intervene on the utility or its attorney and all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31, 38, and 42, as applicable.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before January 22, 2016. If representation by counsel is required by Arizona Supreme Court Rule 31, intervention will be conditioned upon the intervenor obtaining counsel to represent the intervenor.

If you do not intervene in this proceeding, you will not receive further notice of the proceedings in this docket. However, all documents filed in this docket are available

1 **online** (usually within 24 hours after docketing) at the Commission's website
2 www.azcc.gov using the e-Docket function, located at the bottom of the website homepage.
3 RSS feeds are also available through e-Docket.

4 **ADA/Equal Access Information**

5 The Commission does not discriminate on the basis of disability in admission to its public
6 meetings. Persons with a disability may request a reasonable accommodation such as a
7 sign language interpreter, as well as request this document in an alternative format, by
8 contacting the ADA Coordinator Shaylin Bernal, E-mail SABernal@azcc.gov, voice
9 phone number 602/542-3931. Requests should be made as early as possible to allow time
10 to arrange the accommodation.

11 IT IS FURTHER ORDERED that the Company shall **mail** to each of its customers a copy of
12 the above notice by **November 20, 2015**; shall cause the above notice to be published at least once in
13 a newspaper of local circulation in its service territory, with **publication** to be completed no later than
14 **November 20, 2015**; and shall make the notice available on its website easily accessible from the
15 homepage.

16 IT IS FURTHER ORDERED that the Company shall file certifications of mailing and
17 publication as soon as practicable after they have been completed.

18 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
19 publication of same, notwithstanding the failure of an individual customer to read or receive the notice.

20 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
21 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
22 in this matter is final and non-appealable.

23 IT IS FURTHER ORDERED that all parties must comply with Rule 33 (c) and (d) of the Rules
24 of the Arizona Supreme Court with respect to practice of law and admission *pro hac vice*.

25 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
26 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
27 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
28 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the matter
is scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
Administrative Law Judge.

IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this
matter may opt to receive service of all filings in this docket, including all filings by parties and all

1 Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the
2 Commission's Hearing Division, via email sent to an email address provided by the party rather than
3 via U.S. Mail. To exercise this option, a party shall:

- 4 1. Ensure that the party has a valid and active email address to which the party has regular
5 and reliable access ("designated email address");
- 6 2. Complete a Consent to Email Service form, available on the Commission's website
7 (www.azcc.gov);
- 8 3. File the original and 13 copies of the Consent to Email Service form with the
9 Commission's Docket Control, also providing service to each party to the service list;
- 10 4. Send an email, containing the party's name and the docket number for this matter, to
11 HearingDivisionServicebyEmail@azcc.gov from the designated email address, to allow
12 the Hearing Division to verify the validity of the designated email address;
- 13 5. Understand and agree that service of a document on the party shall be complete upon
14 the sending of an email containing the document to the designated email address,
15 regardless of whether the party receives or reads the email containing the document;
16 and
- 17 6. Understand and agree that the party will no longer receive service of filings in this
18 matter through First Class U.S. Mail or any other form of hard-copy delivery, unless
19 and until the party withdraws this consent through a filing made in this docket.

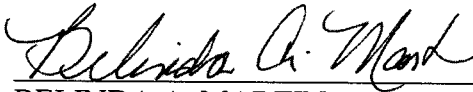
20 IT IS FURTHER ORDERED that a party's consent to email service shall not become effective
21 until a Procedural Order is issued approving the use of email service for the party. The Procedural
22 Order shall be issued only after the party has completed steps 1 through 4 above, and the Hearing
23 Division has verified receipt of an email from the party's designated email address.

24 IT IS FURTHER ORDERED that a party's election to receive service of all filings in this matter
25 via email does not change the requirement that all filings with the Commission's Docket Control must
26 be made in hard copy and must include an original and 13 copies.

27 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
28 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
2 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

3 DATED this 16th day of October, 2015.

5
6 

7 BELINDA A. MARTIN
8 ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed
10 this 16th day of October, 2015 to:

11 Jeffrey W. Crockett
12 CROCKETT LAW GROUP, PLC
13 1702 East Highland Avenue, Suite 204
14 Phoenix, AZ 85016

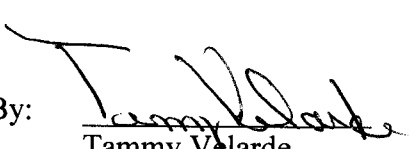
15 Kirby Chapman, CFAO
16 SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.
17 311 East Wilcox
18 Sierra Vista, AZ 85650

19 Janice Alward, Chief Counsel
20 Legal Division
21 ARIZONA CORPORATION COMMISSION
22 1200 W. Washington Street
23 Phoenix, Arizona 85007

24 Thomas Broderick, Director
25 Utilities Division
26 ARIZONA CORPORATION COMMISSION
27 1200 W. Washington Street
28 Phoenix, Arizona 85007

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By:


26 Tammy Velarde
27 Assistant to Belinda A Martin
28